

# NEX POINT NEX TB

THAILAND / TECHNOLOGY

## BUY

UNCHANGED

## From tripping to gripping growth

- We think NEX is poised to see a significant increase in the production and delivery of e-buses in May-22 onward.
- We estimate the total number of e-buses to be sold to TSB and SMB would be 2,355 and 800; likely to be delivered within 2023-24.
- Maintain BUY but cut our SoTP-TP from THB26 to THB21.6

TARGET PRICE	THB21.60
CLOSE	THB15.70
UP/DOWNSIDE	+37.6%
PRIOR TP	THB26.00
CHANGE IN TP	-16.9%
TP vs CONSENSUS	-13.6%

### KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	666	14,109	21,004	23,525
Net profit	(107)	655	1,269	1,733
EPS (THB)	(0.06)	0.39	0.76	1.03
vs Consensus (%)	-	(49.4)	(35.3)	(24.3)
EBITDA	(48)	(112)	149	73
Core net profit	(107)	655	1,269	1,733
Core EPS (THB)	(0.06)	0.39	0.76	1.03
Chg. In EPS est. (%)	nm	(38.6)	(27.7)	1.0
EPS growth (%)	nm	nm	93.8	36.5
Core P/E (x)	(246.0)	40.1	20.7	15.2
Dividend yield (%)	-	1.3	2.5	3.5
EV/EBITDA (x)	(537.9)	(215.2)	160.5	337.2
Price/book (x)	9.2	7.2	5.5	4.3
Net debt/Equity (%)	(29.5)	(64.8)	(53.0)	(32.0)
ROE (%)	(3.7)	20.1	30.0	31.8

### Poised to see rising production and deliveries in 2Q22 onward

We think NEX is poised to see a significant increase in the production and delivery of e-buses in May-22 onward after a two-quarter delay in production due to Covid-19. We now estimate that NEX, via the manufacturing plant under Absolute Assembly (AAB), will sell 2,000 e-buses and 500 e-trucks in 2022, down from our previous forecast of 3,200 e-buses/e-trucks in 2022. We expect NEX to secure robust orders for both e-buses and e-trucks in 2022-24, but the delays in production and deliveries should result in a lower net profit generated from NEX's EV venture than previously expected.

### Production and delivery delays on skilled workforce shortage

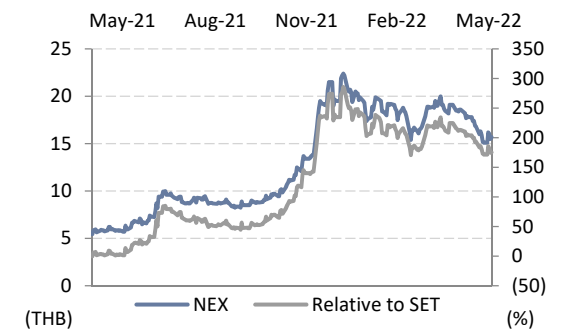
Management indicated that the 4Q21 delay was caused by the inability to import skilled workers from China due to the country's lockdown. In 3Q22, we believe AAB's plant will fully function, producing 150-250 e-buses/e-trucks per month. Management projects this to eventually reach full capacity at 3,000 by 1H23 and likely increase to 4,000-5,000 by 2H23 when AAB intends to add one additional 8-hour working shift with a sufficiently skilled workforce to run its manufacturing plant.

### High order backlog for e-buses and e-trucks

We think NEX's net profit will turn around in 2Q22 and start to rise markedly by 3Q22 when we project AAB and NEX to produce and deliver e-bus and e-truck orders to customers. As of 1Q22, management indicated that NEX has over a 2,000 e-bus backlog to be delivered within 2022, and an additional 2,000-4,000 potential orders to be delivered in 2023-24. Based on BYD's and EA's management teams, we estimate that the total number of e-buses to be sold to TSB and SMB would be 2,355 and 800; all likely to be delivered within 2023-24.

### Attractive as a turnaround and then growth EV play

We cut our SoTP-based TP from THB26 to THB21.6 to reflect our 2022E EPS cut. NEX's share price rerating could be driven by EPS growth and its valuation rerating on a stronger and more visible growth outlook. We revise our EPS forecasts for 2022-24 by -39%/-28%/+1% to reflect our expectation of a lower number of e-buses and e-trucks produced by AAB and sold by NEX in 2022-23 due to production delays.



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(14.7)	(18.2)	190.7
Relative to country (%)	(11.1)	(14.5)	178.1
Mkt cap (USD m)	767		
3m avg. daily turnover (USD m)	6.3		
Free float (%)	35		
Major shareholder	EA Mobility Holding (40%)		
12m high/low (THB)	23.00/5.30		
Issued shares (m)	1,674.45		

Sources: Bloomberg consensus; FSSIA estimates



**Suwat Sinsadok, CFA, FRM, ERP**  
 suwat.sin@fssia.com  
 +66 2611 3558

**Siriluck Pinthusoonthorn**  
 siriluck.pin@fssia.com  
 +66 2611 3562

### Investment thesis

We believe NEX is a turnaround company due to its business transformation from an electronic parts company into an EV company in 2021 onward. NEX's net profit growth should be driven by the EV industry's growth, its first-mover advantage, and integrated business model to capture Thailand's EV demand growth.

We think NEX's net profit will turn around in 2Q22 and start to rise markedly by 3Q22 when we project AAB and NEX to produce and deliver e-bus and e-truck orders to customers. As of 1Q22, management indicated that NEX has over a 2,000 e-bus backlog to be delivered within 2022, and an additional 2,000-4,000 potential orders to be delivered in 2023-24. Based on BYD's and EA's management, we estimate that the total number of e-buses to be sold to TSB and SMB would be 2,355 and 800; all likely to be delivered within 2023-24.

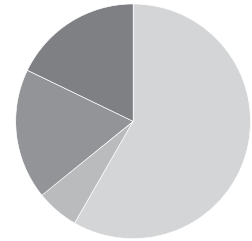
### Company profile

Nex is one of the leaders in the comprehensive commercial vehicle industry in Thailand.

[www.nexpoint.co.th](http://www.nexpoint.co.th)

### Principal activities (revenue, 2021)

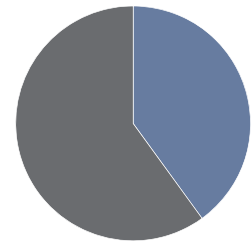
- Electronic products - 0.0 %
- Computer and software system - 58.3 %
- Logistic service - 5.9 %
- Bus business - 18.0 %
- Others - 17.8 %



Source: Nex Point

### Major shareholders

- EA Mobility Holding - 40.0 %
- Others - 60.0 %



Source: Nex Point

### Catalysts

Key potential drivers for NEX are 1) net profit sharing from its EV venture via a 45% stake in Absolute Assembly, a manufacturer of EVs; 2) earnings from the commencement of the marketing and sales of EV buses and e-trucks under NEX as a key trading and marketing arm for the EA group; and 3) sustainable net profits from its high-margin repair and maintenance services covering both ICE and EV clients.

### Risks to our call

Downside risks to our SOTP-based TP include: 1) a lower-than-expected bus sales volume; 2) delays in bus deliveries; and 3) risk from regulatory changes.

### Event calendar

Date	Event
Aug 2022	2Q22 results announcement

### Key assumptions

	2022E	2023E	2024E
EV bus sales (buses)	2,000	1,500	2,000
E-truck sales (trucks)	500	2,000	2,000
Number of vehicles for maintenance services	2,000	3,000	3,000
E-buses produced & sales (buses) - AAB	2,000	3,000	4,500
E-trucks produced & sales (trucks) - AAB	0	1,000	1,000
NEX Express (passengers)	473,040	630,720	788,400
NEX Express tickets (THB)	209	209	209

Source: FSSIA estimates

### Earnings sensitivity

- Ceteris Paribus, for every 1% increase in AAB's utilisation rate, we estimate 2022 earnings would increase 2%, and vice versa.

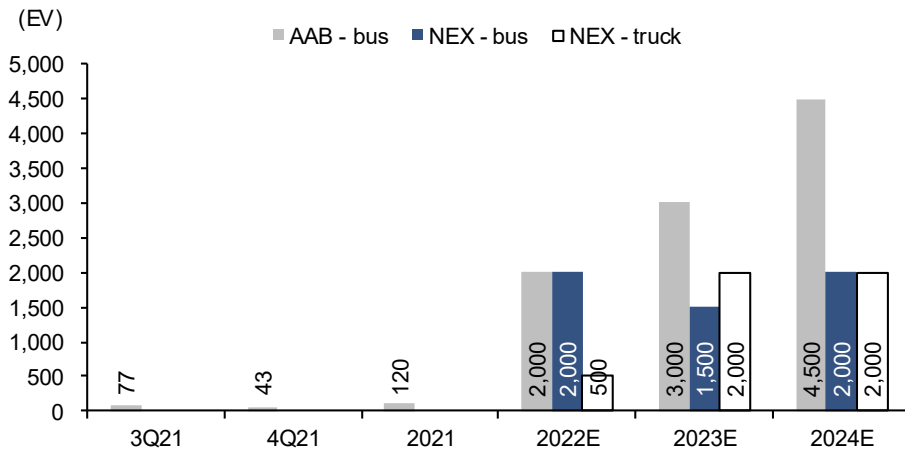
Source: FSSIA estimates

## From tripping to gripping growth

After a disappointing 1Q22 net loss of THB63m due to delays in the production and delivery of e-buses caused by a shortage of skilled workers, we think NEX is now poised to see a significant increase in the production and delivery of e-buses in May-22 onward.

We now estimate that NEX, via the manufacturing plant under AAB, will sell 2,000 e-buses and 500 e-trucks in 2022, down from our previous forecast of 3,200 e-buses/e-trucks in 2022. We expect NEX to secure robust orders for both e-buses and e-trucks in 2022-24, but the delays in production and deliveries should result in a lower net profit generated from NEX's EV venture than previously expected.

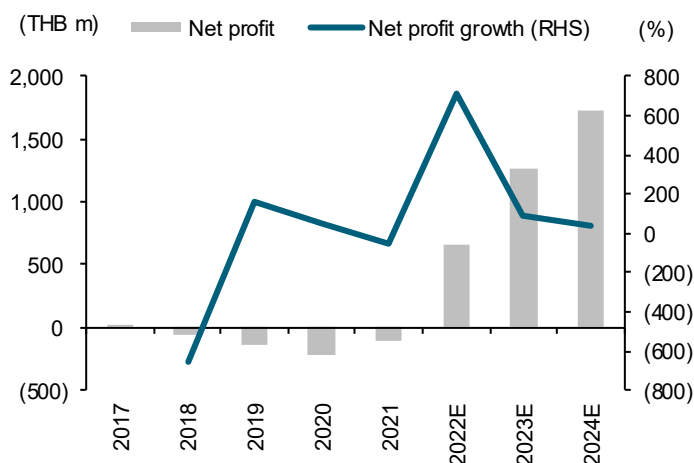
**Exhibit 1: FSSIA's revised sales (NEX) and production (AAB) volumes of e-buses and e-trucks in 2022-24E**



Sources: NEX, EA, FSSIA estimates

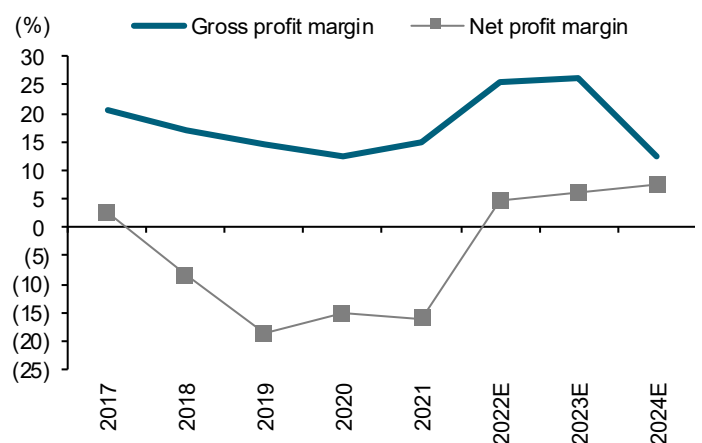
Hence, we revise down our net profit forecasts for 2022-23 by 28-39% to reflect our lower sales and production volume estimates for e-buses and e-trucks. However, we believe that NEX will see a strong earnings growth momentum starting in 3Q22 onward once AAB is fully running, based on management's guidance.

**Exhibit 2: Net profit and net profit growth**



Sources: NEX, FSSIA estimates

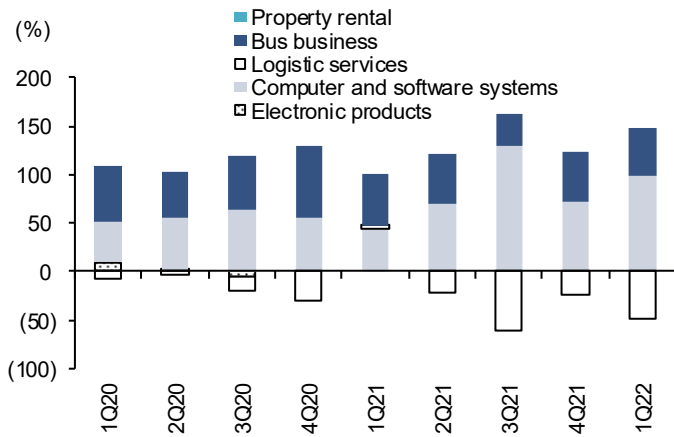
**Exhibit 3: Gross profit margin and net profit margin**



Sources: NEX, FSSIA estimates

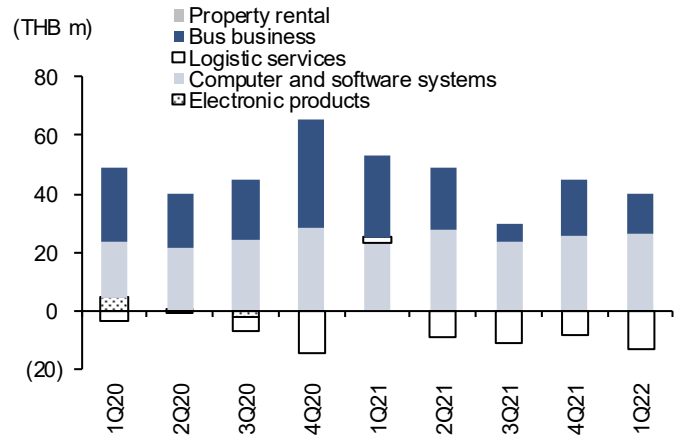
In 3Q22, we believe AAB’s plant will fully function, producing 150-250 e-buses/e-trucks per month. Management projects this to eventually reach full capacity at 3,000 by 1H23 and likely increase to 4,000-5,000 by 2H23 when AAB intends to add one additional 8-hour working shift with a sufficiently skilled workforce to run its manufacturing plant.

**Exhibit 4: Gross profit breakdown by segment (%)**



Sources: NEX; FSSIA estimates

**Exhibit 5: Gross profit breakdown by segment (THB m)**



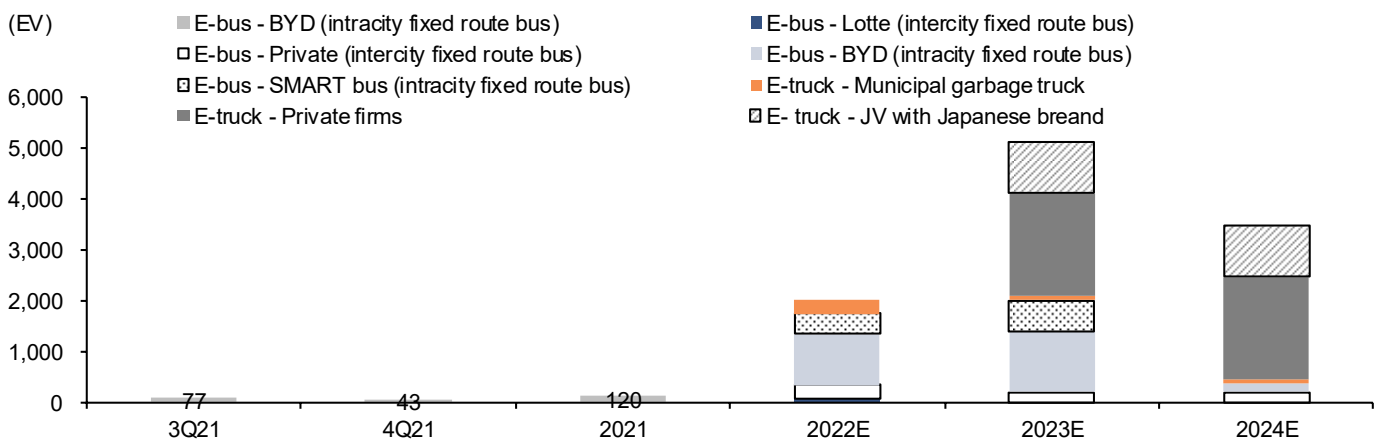
Sources: NEX; FSSIA estimates

**Orders are secured but production hiccup is now resolved**

We think NEX’s net profit will turn around to be profitable in 2Q22 and start to rise markedly by 3Q22 when we project AAB and NEX to produce and deliver e-bus and e-truck orders to customers. As of 1Q22, management indicated that NEX has over a 2,000 e-bus backlog to be delivered within 2022, and an additional 2,000-4,000 potential orders to be delivered in 2023-24.

**Order #1: Thai Smile Bus.** The initial large order of over 2,000 was made on 2 Apr-22. Thai Smile Bus (TSB), a subsidiary of BYD, a listed broker company, announced that it won 71 licenses to operate 71 bus lines from the Department of Land Transport. BYD is required to begin operating at least 800 e-buses within 180 days until the beginning of Oct-22. TSB plans to increase the number of currently operating buses using Energy Absolute (EA TB, BUY, TP THB122)’s e-buses, from 112 to a maximum of 377 buses by end-2023, according to BYD’s management

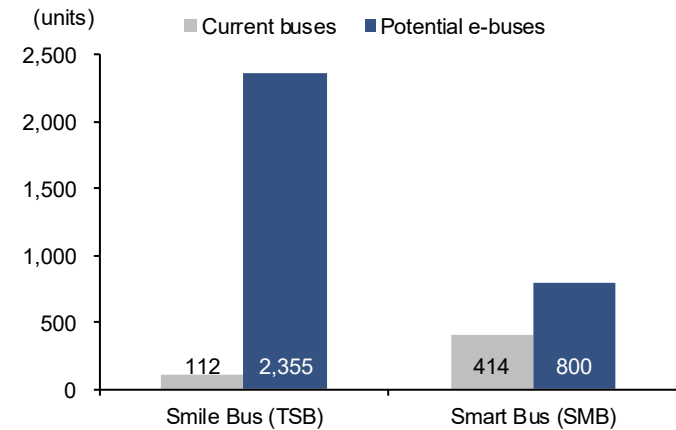
**Exhibit 6: Net profit breakdown from EV business**



Sources: NEX; EA: FSSIA estimates

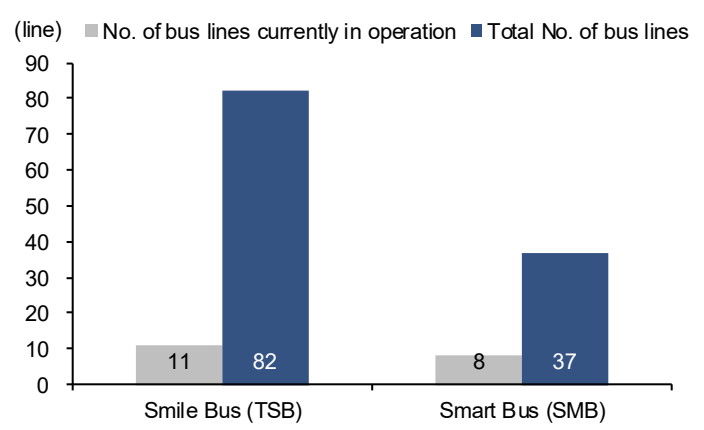
**Order #2: Thai Smart Bus.** Thai Smart Bus (SMB), now owned 100% by EA, is likely to change all 414 buses currently in operation to e-buses in 2022-23. According to EA’s management, EA plans to deliver up to 800 e-buses to SMB, partly for the 414 NGV-to-EV buses, with the remaining almost 400 e-buses to be added to reach the maximum number of e-buses in operation for the entire 37 bus lines owned by SMB.

**Exhibit 7: Number of buses in operation and potential in 2022-23 for TSB and SMB**



Sources: NEX; FSSIA estimates

**Exhibit 8: Number of bus lines in operation and potential in 2022-23 for TSB and SMB**



Sources: NEX; FSSIA estimates

Based on BYD’s and EA’s management, we estimate that the total number of e-buses potentially to be sold to TSB and SMB would be 2,355 (including the 71 lines won recently by TSB) and 800, bringing the total potential EV orders for AAB to 3,155 e-buses; all likely to be delivered within 2023-24.

Based on our estimate of a THB6.8m selling price for each large-size e-bus with a 12-metre length, we estimate that AAB could generate up to THB21.5b in revenue for 3,155 e-buses within 2022-24. We believe this confirms our positive view on EA and NEX’s net profit growth potential in 2022-24 from EV ventures, mainly for e-bus orders.

**Exhibit 9: Analysis of potential sales volume upsides for AAB**

	Major shareholder	Current type of buses in operation	Current buses (no.)	Potential e-buses (no.)	No. of bus lines currently in operation (no.)	Potential no. of bus lines (no.)	Price of e-bus (THB m)	Total order value (THB m)	Size of e-bus
Smile Bus (TSB)	BYD	EV	112	2,355	11	82	6.8	16,014	Large size at 12m length
Smart Bus (SMB)	EA	NGV, Diesel, EV	414	800	8	37	6.8	5,440	Large size at 12m length
<b>Total</b>			<b>526</b>	<b>3,155</b>	<b>19</b>	<b>119</b>		<b>21,454</b>	

Sources: BYD; EA; FSSIA estimates

**EA’s capacity expansion plan substantiates NEX’s order visibility.** EA’s management has clearly indicated that the company plans to expand its battery plant capacity from the current 1GWh to 4GWh, aiming to serve only the internal captive orders for batteries to be used as parts in the e-buses and e-trucks produced at AAB.

With the assumption that each e-bus and e-truck will consume 200-350kWh, with an average of 300kWh (0.0003GWh), we estimate that every 3,000 e-buses/e-trucks produced would require 0.9GWh, implying a 90% utilisation rate or a “full” effective utilisation rate for the battery plant. Hence, EA’s 4GWh battery plant capacity should be able to serve up to 12,000 e-bus/e-truck orders by 2024, based on our estimate.

## EPS and target price revisions

We revise our EPS forecasts for 2022-24 by -39%/-28%/+1% to reflect 1) our estimate for a lower number of e-trucks sold in 2022; 2) a lower number of e-buses produced by AAB in 2022 and 2023 due to production delays; 3) a lower number of buses for maintenance services in 2022-24; and 4) a higher number of e-buses produced in 2024 as we expect AAB and NEX to produce more buses to sell to the market.

We cut our SoTP-based TP from THB26 to THB21.6 to reflect our 2022E EPS cut as we continue to employ 2022 as our base year to value NEX. However, we think that by 3Q22 when NEX and AAB are likely to reach their full potential to produce and sell e-buses and e-trucks, NEX's share price could see upsides from both EPS growth and a valuation rerating on the back of a strong and more visible growth outlook.

### Exhibit 10: Key changes in assumptions

	----- Current -----			----- Previous -----			----- Change -----		
	2022E (THB m)	2023E (THB m)	2024E (THB m)	2022E (THB m)	2023E (THB m)	2024E (THB m)	2022E (%)	2023E (%)	2024E (%)
Revenue	14,109	21,004	23,525	18,684	21,454	23,975	(24.5)	(2.1)	(1.9)
Gross profit	1,599	2,694	2,924	2,279	2,874	3,103	(29.9)	(6.2)	(5.8)
Operating profit	(182)	72	(11)	(56)	197	114	224.7	(63.6)	(109.7)
Net profit	655	1,269	1,733	1,066	1,755	1,715	(38.6)	(27.7)	1.0
EPS (THB/shr)	0.4	0.8	1.0	0.6	1.0	1.0	(38.6)	(27.7)	1.0
<b>Key assumptions</b>									
EV bus sales (buses)	2,000	1,500	2,000	2,000	1,500	2,000	0.0	0.0	0.0
E-truck sales (trucks)	500	2,000	2,000	1,200	2,000	2,000	(58.3)	0.0	0.0
Number of vehicles for maintenance services	2,000	3,000	3,000	3,000	4,200	4,200	(33.3)	(28.6)	(28.6)
E-buses produced & sales (buses) - AAB	2,000	3,000	4,500	3,000	4,200	4,200	(33.3)	(28.6)	7.1
E-trucks produced & sales (trucks) - AAB	0	1,000	1,000	1,000	1,000	1,000	(100.0)	0.0	0.0
NEX Express (passengers)	473,040	630,720	788,400	473,040	630,720	788,400	0.0	0.0	0.0
NEX Express tickets (THB)	209	209	209	209	209	209	0.0	0.0	0.0

Sources: NEX; FSSIA estimates

### Exhibit 11: DCF valuation

Cost of equity assumptions	(%)	Cost of debt assumptions	(%)
Risk free rate	2.3	Pretax cost of debt	4.6
Market risk premium	8.5	Marginal tax rate	20.0
Stock beta	1.20		
<b>DCF assumptions</b>			
Cost of equity, Ke	12.5	Net cost of debt, Kd	3.4
Weight applied	25.0	Weight applied	75.0
WACC (%)	5.7		

SoTP valuation estimate	(THB m)	(THB/share)	Valuation methodology
Electronics & computer	1,807	1.1	FY22E P/E at 5x
EV bus - seller	8,188	4.9	FY22E P/E at 15x
Maintenance service	2,238	1.3	FY22E P/E at 15x
NEX express (BKK-Korat route)	286	0.2	FY22E P/E at 10x
AAB - EV bus	12,739	7.6	FY22E P/E at 20x
EV truck - seller	3,600	2.1	FY22E P/E at 15x
AAB - EV truck	5,040	3.0	FY23E P/E at 20x
Net debt	2,506	1.5	At end -2022E
Minorities	(211)	(0.1)	At end -2022E
<b>Residual ordinary equity</b>	<b>25,300</b>	<b>21.6</b>	

Sources: NEX; FSSIA estimates

## Financial Statements

Nex Point

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	1,404	666	14,109	21,004	23,525
Cost of goods sold	(1,168)	(434)	(12,511)	(18,310)	(20,601)
<b>Gross profit</b>	<b>236</b>	<b>233</b>	<b>1,599</b>	<b>2,694</b>	<b>2,924</b>
Other operating income	-	-	-	-	-
Operating costs	(360)	(280)	(1,710)	(2,546)	(2,851)
<b>Operating EBITDA</b>	<b>(124)</b>	<b>(48)</b>	<b>(112)</b>	<b>149</b>	<b>73</b>
Depreciation	(63)	(85)	(70)	(77)	(84)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>(187)</b>	<b>(133)</b>	<b>(182)</b>	<b>72</b>	<b>(11)</b>
Net financing costs	(16)	(8)	(9)	(9)	18
Associates	(6)	(5)	820	1,245	1,758
Recurring non-operating income	11	17	840	1,265	1,778
Non-recurring items	0	0	0	0	0
<b>Profit before tax</b>	<b>(192)</b>	<b>(124)</b>	<b>649</b>	<b>1,328</b>	<b>1,785</b>
Tax	(8)	29	6	(59)	(52)
<b>Profit after tax</b>	<b>(200)</b>	<b>(95)</b>	<b>655</b>	<b>1,269</b>	<b>1,733</b>
Minority interests	(13)	(12)	0	0	0
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>(214)</b>	<b>(107)</b>	<b>655</b>	<b>1,269</b>	<b>1,733</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>(214)</b>	<b>(107)</b>	<b>655</b>	<b>1,269</b>	<b>1,733</b>
<b>Per share (THB)</b>					
Recurring EPS *	(0.13)	(0.06)	0.39	0.76	1.03
Reported EPS	(0.13)	(0.06)	0.39	0.76	1.03
DPS	0.00	0.00	0.20	0.40	0.55
Diluted shares (used to calculate per share data)	1,674	1,674	1,674	1,674	1,674
<b>Growth</b>					
Revenue (%)	79.2	(52.5)	2,017.0	48.9	12.0
Operating EBITDA (%)	nm	nm	nm	nm	(51.1)
Operating EBIT (%)	nm	nm	nm	nm	nm
Recurring EPS (%)	nm	nm	nm	93.8	36.5
Reported EPS (%)	nm	nm	nm	93.8	36.5
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	12.3	22.1	10.8	12.5	12.1
Gross margin of key business (%)	12.3	22.1	11.7	13.3	12.9
Operating EBITDA margin (%)	(8.8)	(7.1)	(0.8)	0.7	0.3
Operating EBIT margin (%)	(13.3)	(20.0)	(1.3)	0.3	0.0
Net margin (%)	(15.2)	(16.0)	4.6	6.0	7.4
Effective tax rate (%)	-4.3	24.4	20.0	20.0	20.0
Dividend payout on recurring profit (%)	-	-	51.1	52.8	53.1
Interest cover (X)	(11.1)	(14.5)	74.7	151.7	(96.7)
Inventory days	22.3	110.8	60.4	98.3	110.3
Debtor days	32.7	89.8	24.7	49.3	81.0
Creditor days	38.7	132.1	71.2	115.9	130.1
Operating ROIC (%)	(27.3)	(15.2)	(60.6)	17.0	(0.5)
ROIC (%)	(10.7)	(4.4)	28.1	54.4	41.2
ROE (%)	(12.4)	(3.7)	20.1	30.0	31.8
ROA (%)	(8.3)	(2.4)	5.6	5.3	5.6

\* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2020	2021	2022E	2023E	2024E
Electronic products	105				
Computer and software system	314	389	307	195	195
Logistic service	97	39	839	1,253	0
Bus business	888	120	10,000	7,500	10,000

Sources: Nex Point; FSSIA estimates



## Financial Statements

Nex Point

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	(214)	(107)	655	1,269	1,733
Depreciation	63	85	70	77	84
Associates & minorities	(6)	(5)	820	1,245	1,758
Other non-cash items	-	-	-	-	-
Change in working capital	(66)	117	633	(1,173)	(2,117)
<b>Cash flow from operations</b>	<b>(223)</b>	<b>91</b>	<b>2,178</b>	<b>1,418</b>	<b>1,457</b>
Capex - maintenance	(63)	(85)	(70)	(77)	(84)
Capex - new investment	(474)	(174)	(30)	(23)	(16)
Net acquisitions & disposals	(476)	(361)	0	0	0
Other investments (net)	(406)	(126)	820	1,245	1,758
<b>Cash flow from investing</b>	<b>(1,420)</b>	<b>(747)</b>	<b>720</b>	<b>1,145</b>	<b>1,658</b>
Dividends paid	0	0	0	(335)	(670)
Equity finance	2,685	0	0	0	0
Debt finance	(54)	10	0	0	0
Other financing cash flows	337	197	(1,298)	(2,080)	(3,081)
<b>Cash flow from financing</b>	<b>2,967</b>	<b>207</b>	<b>(1,298)</b>	<b>(2,415)</b>	<b>(3,750)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>1,324</b>	<b>(449)</b>	<b>1,599</b>	<b>148</b>	<b>(635)</b>
Free cash flow to firm (FCFF)	(1,627.23)	(647.76)	2,906.47	2,571.50	3,124.20
Free cash flow to equity (FCFE)	(1,360.24)	(449.23)	1,599.42	482.45	34.81

### Per share (THB)

FCFF per share	(0.97)	(0.39)	1.74	1.54	1.87
FCFE per share	(0.81)	(0.27)	0.96	0.29	0.02
Recurring cash flow per share	(0.09)	(0.02)	0.92	1.55	2.13

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	591	591	491	391	291
Less: Accumulated depreciation	(56)	(53)	(123)	(200)	(283)
<b>Tangible fixed assets (net)</b>	<b>536</b>	<b>539</b>	<b>368</b>	<b>191</b>	<b>8</b>
<b>Intangible fixed assets (net)</b>	<b>201</b>	<b>201</b>	<b>201</b>	<b>201</b>	<b>201</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	476	837	837	837	837
Cash & equivalents	1,410	961	2,560	2,708	2,073
A/C receivable	129	199	1,711	3,962	6,483
Inventories	124	139	4,005	5,862	6,595
Other current assets	207	445	9,521	14,174	15,875
<b>Current assets</b>	<b>1,871</b>	<b>1,744</b>	<b>17,797</b>	<b>26,705</b>	<b>31,025</b>
Other assets	534	592	592	592	592
<b>Total assets</b>	<b>3,617</b>	<b>3,913</b>	<b>19,796</b>	<b>28,527</b>	<b>32,663</b>
Common equity	2,961	2,859	3,655	4,799	6,097
Minorities etc.	204	211	211	211	211
<b>Total shareholders' equity</b>	<b>3,166</b>	<b>3,070</b>	<b>3,866</b>	<b>5,010</b>	<b>6,309</b>
Long term debt	0	0	0	0	0
Other long-term liabilities	167	108	108	108	108
<b>Long-term liabilities</b>	<b>167</b>	<b>108</b>	<b>108</b>	<b>108</b>	<b>108</b>
A/C payable	150	164	4,720	6,908	7,773
Short term debt	45	54	54	54	54
Other current liabilities	90	517	11,047	16,445	18,419
<b>Current liabilities</b>	<b>285</b>	<b>735</b>	<b>15,822</b>	<b>23,408</b>	<b>26,246</b>
<b>Total liabilities and shareholders' equity</b>	<b>3,617</b>	<b>3,913</b>	<b>19,796</b>	<b>28,527</b>	<b>32,663</b>
Net working capital	220	103	(530)	643	2,761
Invested capital	1,967	2,272	1,468	2,465	4,398

\* Includes convertibles and preferred stock which is being treated as debt

### Per share (THB)

Book value per share	1.77	1.71	2.18	2.87	3.64
Tangible book value per share	1.65	1.59	2.06	2.75	3.52

### Financial strength

Net debt/equity (%)	(43.1)	(29.5)	(64.8)	(53.0)	(32.0)
Net debt/total assets (%)	(37.7)	(23.2)	(12.7)	(9.3)	(6.2)
Current ratio (x)	6.6	2.4	1.1	1.1	1.2
CF interest cover (x)	(54.9)	(33.3)	185.9	58.4	(1.8)

Valuation	2020	2021	2022E	2023E	2024E
<b>Recurring P/E (x) *</b>	<b>(123.1)</b>	<b>(246.0)</b>	<b>40.1</b>	<b>20.7</b>	<b>15.2</b>
<b>Recurring P/E @ target price (x) *</b>	<b>(169.3)</b>	<b>(338.4)</b>	<b>55.2</b>	<b>28.5</b>	<b>20.9</b>
Reported P/E (x)	(123.1)	(246.0)	40.1	20.7	15.2
Dividend yield (%)	-	-	1.3	2.5	3.5
Price/book (x)	8.9	9.2	7.2	5.5	4.3
Price/tangible book (x)	9.5	9.9	7.6	5.7	4.5
EV/EBITDA (x) **	(202.9)	(537.9)	(215.2)	160.5	337.2
EV/EBITDA @ target price (x) **	(282.7)	(745.5)	(303.8)	227.0	473.2
EV/invested capital (x)	12.8	11.3	16.3	9.7	5.6

\* Pre-exceptional, pre-goodwill and fully diluted \*\* EBITDA includes associate income and recurring non-operating income

Sources: Nex Point; FSSIA estimates



## Corporate Governance report of Thai listed companies 2020

EXCELLENT LEVEL										
AAV	ADVANC	AF	AIRA	AKP	AKR	ALT	AMA	AMATA	AMATAV	ANAN
AOT	AP	ARIP	ARROW	ASP	BAFS	BANPU	BAY	BCP	BCPG	BDMS
BEC	BEM	BGRIM	BIZ	BKI	BLA	BOL	BPP	BRR	BTS	BWG
CENTEL	CFRESH	CHEWA	CHO	CIMBT	CK	CKP	CM	CNT	COL	COMAN
COTTO	CPALL	CPF	CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC
DV8	EA	EASTW	ECF	ECL	EGCO	EPG	ETE	FNS	FPI	FPT
FSMART	GBX	GC	GCAP	GEL	GFPT	GGC	GPSC	GRAMMY	GUNKUL	HANA
HARN	HMPRO	ICC	ICI	III	ILINK	INTUCH	IRPC	IVL	JKN	JSP
JWD	K	KBANK	KCE	KKP	KSL	KTB	KTC	LANNA	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	METCO	MFEC	MINT
MONO	MOONG	MSC	MTC	NCH	NCL	NEP	NKI	NOBLE	NSI	NVD
NYT	OISHI	ORI	OTO	PAP	PAP	PCSGH	PDJ	PG	PHOL	PLANB
PLAT	PORT	PPS	PR9	PREB	PRG	PRM	PSH	PSL	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QTC	RATCH	RS	S	S & J	SAAM
SABINA	SAMART	SAMTEL	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SDC
SEAFCO	SEAOIL	SE-ED	SELIC	SENA	SIRI	SIS	SITHAI	SMK	SMPC	SNC
SONIC	SORKON	SPALI	SPI	SPRC	SPVI	SSSC	SST	STA	SUSCO	SUTHA
SVI	SYMC	SYNTEC	TACC	TASCO	TCAP	TFMAMA	THANA	THANI	THCOM	THG
THIP	THRE	THREL	TIP	TIPCO	TISCO	TK	TKT	TTB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TQM	TRC	TRC	TSC	TSR	TSTE	TSTH
TTCL	TTW	TU	TVD	TVI	TVO	TWPC	U	UAC	UBIS	UV
VGI	VIH	WACOAL	WAVE	WHA	WHAUP	WICE	WINNER	TRUE		

VERY GOOD LEVEL										
2S	ABM	ACE	ACG	ADB	AEC	AEONTS	AGE	AH	AHC	AIT
ALLA	AMANAHA	AMARIN	APCO	APCS	APURE	AQUA	ASAP	ASEFA	ASIA	ASIAN
ASIMAR	ASK	ASN	ATP30	AUCT	AWC	AYUD	B	BA	BAM	BBL
BFIT	BGC	BJC	BJCHI	BROOK	BTW	CBG	CEN	CGH	CHARAN	CHAYO
CHG	CHOTI	CHOW	CI	CIG	CMC	COLOR	COM7	CPL	CRC	CRD
CSC	CSP	CWT	DCC	DCON	DDD	DOD	DOHOME	EASON	EE	ERW
ESTAR	FE	FLOYD	FN	FORTH	FSS	FTE	FVC	GENCO	GJS	GL
GLAND	GLOBAL	GLOCON	GPI	GULF	GYT	HPT	HTC	ICN	IFS	ILM
IMH	INET	INSURE	IRC	IRCP	IT	ITD	ITEL	J	JAS	JCK
JCKH	JMART	JMT	KBS	KCAR	KGI	KIAT	KOOL	KTIS	KWC	KWM
L&E	LALIN	LDC	LHK	LOXLEY	LPH	LRH	LST	M	MACO	MAJOR
MBAX	MEGA	META	MFC	MGT	MILL	MITSIB	MK	MODERN	MTI	MVP
NETBAY	NEX	NINE	NTV	NWR	OCC	OGC	OSP	PATO	PB	PDG
PDI	PICO	PIMO	PJW	PL	PM	PPP	PRIN	PRINC	PSTC	PT
QLT	RCL	RICHY	RML	RPC	RWI	S11	SALEE	SAMCO	SANKO	SAPPE
SAWAD	SCI	SCP	SE	SEG	SFP	SGF	SHR	SIAM	SINGER	SKE
SKR	SKY	SMIT	SMT	SNP	SPA	SPC	SPCG	SR	SRICHA	SSC
SSF	STANLY	STI	STPI	SUC	SUN	SYNEX	T	TAE	TAKUNI	TBSP
TCC	TCMC	TEAM	TEAMG	TFG	TIGER	TITLE	TKN	TKS	TM	TMC
TMD	TMI	TMT	TNITY	TNP	TNR	TOG	TPA	TPAC	TPCORP	TPOLY
TPS	TRITN	TRT	TRU	TSE	TVT	TWP	UEC	UMI	UOBKH	UP
UPF	UPOIC	UT	UTP	UWC	VL	VNT	VPO	WIJK	WP	XO
YUASA	ZEN	ZIGA	ZMICO							

GOOD LEVEL										
7UP	A	ABICO	AJ	ALL	ALUCON	AMC	APP	ARIN	AS	AU
B52	BC	BCH	BEAUTY	BGT	BH	BIG	BKD	BLAND	BM	BR
BROCK	BSBM	BSM	BTNC	CAZ	CCP	CGD	CITY	CMAN	CMO	CMR
CPT	CPW	CRANE	CSR	D	EKH	EP	ESSO	FMT	GIFT	GREEN
GSC	GTB	HTECH	HUMAN	IHL	INOX	INSET	IP	JTS	JUBILE	KASET
KCM	KKC	KUMWEL	KUN	KWG	KYE	LEE	MATCH	MATI	M-CHAI	MCS
MDX	MJD	MM	MORE	NC	NDR	NER	NFC	NNCL	NPK	NUSA
OCEAN	PAF	PF	PK	PLE	PMTA	POST	PPM	PRAKIT	PRECHA	PRIME
PROUD	PTL	RBF	RCI	RJH	ROJNA	RP	RPH	RSP	SF	SFLEX
SGP	SISB	SKN	SLP	SMART	SOLAR	SPG	SQ	SSP	STARK	STC
SUPER	SVOA	TC	TCCC	THMUI	TIW	TNH	TOPP	TPCH	TIPIP	TPLAS
TTI	TYCN	UKEM	UMS	VCOM	VRANDA	WIN	WORK	WPH		

## Description

## Score Range

Excellent

90-100

Very Good

80-89

Good

70-79

## Disclaimer:

The disclosure of the survey results of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey results may be changed after that date. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such survey results.

\* CGR scoring should be considered with news regarding wrong doing of the company or director or executive of the company such unfair practice on securities trading, fraud, and corruption SEC imposed a civil sanction against insider trading of director and executive; \*\* delisted

Source: Thai Institute of Directors Association (IOD); FSSIA's compilation

## Anti-corruption Progress Indicator 2020

CERTIFIED										
2S	ADVANC	AI	AIE	AIRA	AKP	AMA	AMANAHA	AP	AQUA	ARROW
ASK	ASP	AYUD	B	BAFS	BANPU	BAY	BBL	BCH	BCP	BCPG
BGC	BGRIM	BJCHI	BKI	BLA	BPP	BROOK	BRR	BSBM	BTS	BWG
CEN	CENTEL	CFRESH	CGH	CHEWA	CHOTI	CHOW	CIG	CIMBT	CM	CMC
COL	COM7	CPALL	CPF	CPI	CPN	CSC	DCC	DELTA	DEMCO	DIMET
DRT	DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FPI	FPT	FSS
FTE	GBX	GC	GCAP	GEL	GFPT	GGC	GJS	GPSC	GSTEEL	GUNKUL
HANA	HARN	HMPRO	HTC	ICC	ICHI	IFS	INET	INSURE	INTUCH	IRPC
ITEL	IVL	K	KASET	KBANK	KBS	KCAR	KCE	KGI	KKP	KSL
KTB	KTC	KWC	L&E	LANNA	LHFG	LHK	LPN	LRH	M	MAKRO
MALEE	MBAX	MBK	MBKET	MC	MCOT	MFC	MFEC	MINT	MONO	MOONG
MPG	MSC	MTC	MTI	NBC	NEP	NINE	NKI	NMG	NNCL	NSI
NWR	OCC	OCEAN	OGC	ORI	PAP	PATO	PB	PCSGH	PDG	PDI
PDJ	PE	PG	PHOL	PL	PLANB	PLANET	PLAT	PM	PPP	PPPM
PPS	PREB	PRG	PRINC	PRM	PSH	PSL	PSTC	PT	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QLT	QTC	RATCH	RML	RWI	S & J
SABINA	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SEAOIL	SE-ED	SELIC
SENA	SGP	SIRI	SITHAI	SMIT	SMK	SMPC	SNC	SNP	SORKON	SPACK
SPC	SPI	SPRC	SRICHA	SSF	SSSC	SST	STA	SUSCO	SVI	SYNTEC
TAE	TAKUNI	TASCO	TBSP	TCAP	TCMC	TFG	TFI	TFMAMA	THANI	THCOM
THIP	THRE	THREL	TIP	TIPCO	TISCO	TKT	TTB	TMD	TMILL	TMT
TNITY	TNL	TNP	TNR	TOG	TOP	TPA	TPCORP	TPP	TRU	TSC
TSTH	TTCL	TU	TVD	TVI	TVO	TWPC	U	UBIS	UEC	UKEM
UOBKH	UWC	VGI	VIH	VNT	WACOAL	WHA	WHAUP	WICE	WIJK	XO
ZEN	TRUE									

DECLARED										
7UP	ABICO	AF	ALT	AMARIN	AMATA	AMATAV	ANAN	APURE	B52	BKD
BM	BROCK	BUI	CHO	CI	COTTO	DDD	EA	EFORL	EP	ERW
ESTAR	ETE	EVER	FSMART	GPI	ILINK	IRC	J	JKN	JMART	JMT
JSP	JTS	KWG	LDC	MAJOR	META	NCL	NOBLE	NOK	PK	PLE
ROJNA	SAAM	SAPPE	SCI	SE	SHANG	SINGER	SKR	SPALI	SSP	STANLY
SUPER	SYNEX	THAI	TKS	TOPP	TRITN	TTA	UPF	UV	WIN	ZIGA

Level	
Certified	This level indicates practical participation with thoroughly examination in relation to the recommended procedures from the audit committee or the SEC's certified auditor, being a certified member of Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) or already passed examination to ensure independence from external parties.
Declared	This level indicates determination to participate in the Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC)

**Disclaimer:**

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, FSS International Investment Advisory Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment results.

Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June 24, 2019) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Source: The Securities and Exchange Commission, Thailand; \* FSSIA's compilation

**GENERAL DISCLAIMER**

**ANALYST(S) CERTIFICATION**

Suwat Sinsadok, CFA, FRM, ERP FSS International Investment Advisory Securities Co., Ltd

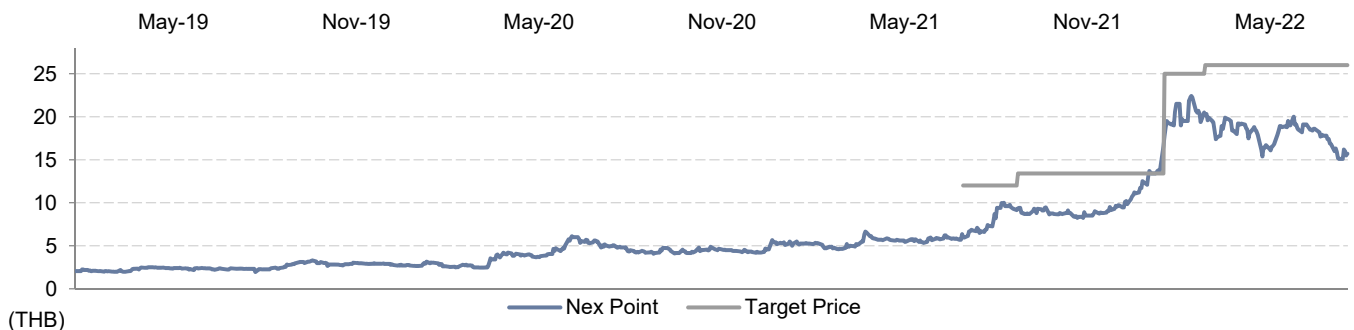
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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**History of change in investment rating and/or target price**

**Nex Point (NEX TB)**



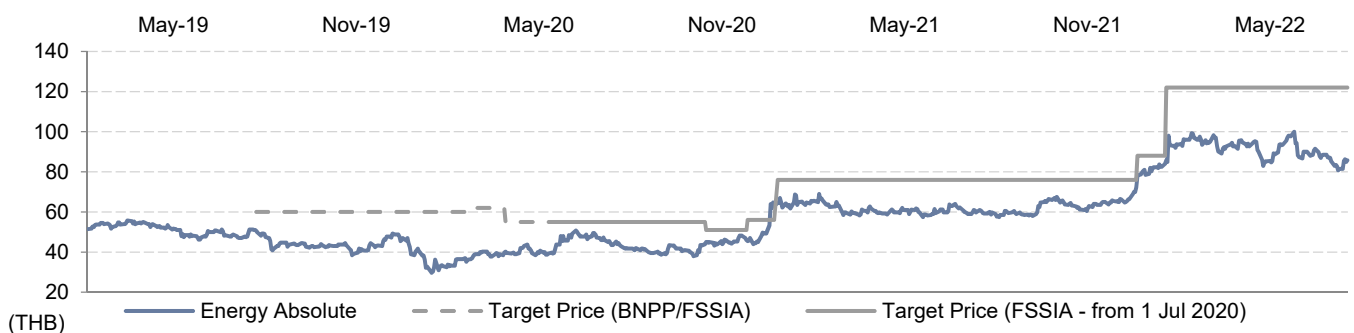
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
23-Jun-2021	BUY	12.00	13-Dec-2021	BUY	25.00	-	-	-
09-Aug-2021	BUY	13.40	17-Jan-2022	BUY	26.00			

Suwat Sinsadok, CFA, FRM, ERP started covering this stock from 23-Jun-2021

Price and TP are in local currency

Source: FSSIA estimates

**Energy Absolute (EA TB)**



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
17-Oct-2019	BUY	60.00	09-Nov-2020	BUY	51.00	18-Nov-2021	BUY	88.00
16-Apr-2020	BUY	62.00	15-Dec-2020	BUY	56.00	13-Dec-2021	BUY	122.00
20-May-2020	BUY	55.00	08-Jan-2021	BUY	76.00			

Suwat Sinsadok, CFA, FRM, ERP started covering this stock from 09-Jul-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Nex Point	NEX TB	THB 15.70	BUY	Downside risks to our SOTP-based TP include: 1) a lower-than-expected bus sales volume; 2) delays in bus deliveries; and 3) risk from regulatory changes.
Energy Absolute	EA TB	THB 85.75	BUY	Downside risks to our SoTP-based TP include: 1) lower-than-expected demand for electricity in Thailand; 2) lower crude prices; and 3) lower-than-expected demand for batteries.

Source: FSSIA estimates

#### Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finasia Syrus Securities Public Company Limited

FSSIA may incorporate the recommendations and target prices of companies currently covered by FSS Research into equity research reports, denoted by an 'FSS' before the recommendation. FSS Research is part of Finasia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 20-May-2022 unless otherwise stated.

## RECOMMENDATION STRUCTURE

### Stock ratings

Stock ratings are based on absolute upside or downside, which we define as  $(\text{target price}^* - \text{current price}) / \text{current price}$ .

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

\* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

### Industry Recommendations

**Overweight.** The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

**Neutral.** The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

**Underweight.** The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

### Country (Strategy) Recommendations

**Overweight (O).** Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Neutral (N).** Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Underweight (U).** Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.